



EDDIE A. PEREZ
MAYOR

April 20, 2009

Honorable Calixto Torres, Council President
Members of the Court of Common Council
City of Hartford
550 Main Street
Hartford, Connecticut 06103

Dear Council President Torres:

In accordance with the Charter of the City of Hartford, I submit for your review and consideration the Recommended Budget for Fiscal Year 2009-2010. This budget reinforces my firm commitment to public safety, education, youth services, the City's infrastructure and more affordable housing toward improving the quality of life in our great city.

This budget is the outcome of the "Governing for Results" comprehensive strategic planning process which focused on the City's financial position for short and long term sustainability. It calls for the allocation and alignment of City resources, employees, operating costs and capital expenditures with the departments' operational strategic business plans. The results of which do not threaten direct services provided to residents and visitors of our Capitol City.

In accordance with all legal requirements and current administrative practices this budget contains:

- A General Fund Budget appropriation ordinance for fiscal year 2009-2010 of \$547,589,282, which equals the City Council's Adopted Budget for 2008-2009. The Recommended Budget provides a projected balanced relationship between total anticipated revenues and total estimated expenditures.
- A tax ordinance requiring a 77.23 mill rate on all taxable property which requires an increase of 8.89 mills over the current year mill rate which represents an 8.3% increase over the current year tax levy and a 5.7% average yearly increase over a three year fiscal period.

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- A ten-year recommended Capital Improvement Program for Fiscal Years 2009-2010 through 2018-2019, totaling \$1,107,115,000. The first year program costs total \$47,170,000 of which \$14,100,000 is for new projects. A Capital Improvement Fund Appropriation Ordinance for Fiscal Year 2009-2010 to approve funding for the new projects totaling \$14,100,000 included in the Legal Documents Section. We must continue to create jobs by sustaining our City construction projects. This will build upon our years of success by providing and creating jobs for Hartford residents and establishing opportunities for women and minority owned businesses through our construction program.
- Establish an Arts Stimulus to create almost 200 jobs, creating new employment and expand facilities. 7,400 residents from Hartford and the surrounding communities rely on the Arts for work and entertainment which is a vital financial force. The Arts in Hartford attract thousands of visitors and pump more than \$189,000,000 into the local economy.
- Establish a temporary half-mill tax to provide \$1,500,000 in new funding to help families in foreclosure to keep their homes and provide emergency assistance to shelters and agencies that serve Hartford families with young children who have lost their homes through no fault of their own. Our City has never turned its back on residents in need and that need has never been greater.
- We are anticipating utilizing Federal stimulus funds to subsidize Police overtime expenses throughout the year and hire a class of forty new Police Officers projected to start the Police Academy by early this summer. This dire need of funds, will help further the momentum of achieving our goal of 500 active police officers to provide increased sustainability to the community policing efforts in the city.
- A Vehicle Replacement and Technology ordinance requesting City Council's approval to purchase replacement vehicles for the City's fleet, recycling receptacles for the Single-Stream Recycling Program, public safety equipment, and funding for the phase II implementation of MUNIS, an integrated Enterprise Resource Planning (ERP) system that will support the joint vision of the Municipality and the Hartford Public Schools District to improve and enhance its citywide business practices to better deliver services to our constituents and student population. These items will not require a funding allocation in the ensuing fiscal year. The first installment payment will be due in fiscal year 2010-2011.

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- A General Fund appropriation for the Hartford System of Schools will increase by \$3,000,000 totaling \$287,554,001 which includes employee fringe benefit costs. The indirect appropriation is \$18,812,869 which is included in the Municipal Operating Budget. In addition, the Hartford System of Schools receives funding from state and federal grants, private foundations and other sources. These funds, categorized as the Special Funds Budget, are projected at \$84,040,255. The combined preliminary amount from all sources brings the total budget for the Hartford Public Schools to \$390,407,125. This figure does not include any anticipated American Recovery and Reinvestment Act (ARRA) funding.
- A General Fund appropriation of \$7,790,000 to the Hartford Public Library which includes employee fringe benefit costs. This appropriation maintains the main library and the branch libraries.
- A contribution of \$6,238,725 to the Municipal Employees Retirement Fund (MERF) for active and retired municipal employees.
- The Debt Service payment totals \$33,147,000 for the construction and renovation of schools, libraries, streets, other public works projects, public facilities, and vehicles.
- A \$250,000 contribution toward funding the Other Post Employee Benefits (OPEB) Liability.
- A three year (FY09-10, FY10-11, FY11-12) comprehensive strategic planning section. This section illustrates the City's vision, mission, core values, goals and expected outcomes, strategies, population indicators, and department three year business plans highlighting their strategic initiatives.
- A General Fund Expenditure and Revenue Forecast section for Fiscal Years 2010-2011 through 2014-2015.

As I stated in my State of the City Address, our Capital City is seriously challenged. We have less revenue coming in and the needs of our residents keep growing.

For the past year, I have been fighting this economic storm alongside my counterparts at the U.S Conference of Mayors at the national level. All of Connecticut's big cities are facing similar challenges. New Haven Mayor DeStefano and Bridgeport Mayor Finch have joined me in making our case to the Governor long before the stimulus package was a reality. Our three cities have regional economic burdens that the other 166 communities in our state simply do not face.

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Over the past six months, the City has eliminated 190 positions between both the Board of Education and the Municipality. The Board of Education is projecting to eliminate an additional 225 positions for fiscal year 2009-10. On the Municipal side, the budget does not include any general fund layoffs or union concessions; however it does include the non-union and unclassified concessions valued at \$450,000.

Sadly, this is not enough to forestall the need for a very substantial tax increase in FY 09-10. I am presenting my toughest budget ever. It is a bare minimum budget. Unfortunately that means there will be more pain and more personal sacrifice, especially if a no mill rate increase budget is required by the Court of Common Council.

We as elected leaders need to put politics and personal agendas aside. We must focus our resources on the current crisis and on our priorities. I ask you to think of Hartford and its future first. I ask you to work with me on a two year outlook that prioritizes public safety, job creation, and education and provides essential core services to our residents and businesses. I ask our community and city employees to come together and help meet our budgetary goals for the coming years.

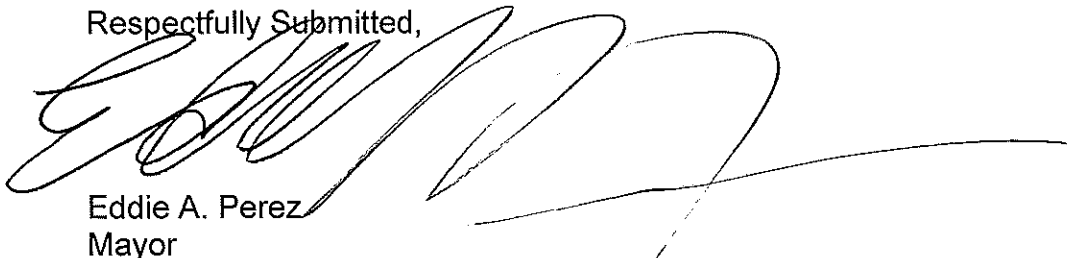
The choice is clear: Either stand still, put our heads in the sand and be devastated by this economic tsunami or move forward and choose to work together and continue to steer Hartford in the right direction, making tough decisions that will better position us when our economy recovers.

Finally, we must maintain our core city services. We must continue to reduce crime, increase the academic achievement of our children and keep our neighborhoods clean and safe. There are no easy answers and that is why it is going to require sacrifice from all of us.

President Obama has said, "Change will not come if we wait for some other person for some other time. We are the ones we have been waiting for."

We have made significant strides toward improving the City of Hartford; nevertheless, we still have more work to do.

Respectfully Submitted,

A large, stylized handwritten signature in black ink, appearing to read 'E. Perez', is written over the signature line and extends across the bottom of the page.

Eddie A. Perez
Mayor